REMUNERATION FRAMEWORK FOR NON-EXECUTIVE DIRECTORS (NEDs) OF MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BERHAD ("MHB" or "the Company")

[Revised on 1 January 2025]

1. Directors' Remuneration Framework ("DRF")

1.1 The DRF of MHB is based on the PETRONAS Guidelines on Remuneration for PETRONAS Public Listed Companies Non-Executive Directors ("NEDs").

2. Remuneration[1]

NEDs shall be remunerated as follows:

2.1 Retainer Fees[2]

(i) NEDs shall be paid a fixed/standard Retainer Fees.

(ii) The Chairman's Retainer Fee shall not be more than two (2) times higher than the other NEDs, to reflect the additional responsibility assumed by the Chairman.

(iii) Board Chairman Retainer Fees:
Maximum ceilling of up to Ringgit Malaysia Three Hundred Sixty Thousand (RM360,000.00) per year.

(iv) Board Member Retainer Fees:
Maximum ceilling of up to Ringgit Malaysia Two Hundred Forty Thousand (RM240,000.00) per year.

(v) The Alternate Director (if any) shall not receive any Retainer Fees.

2.2 Special Fee

(i) In addition to the Retainer Fees above, a Special Fee shall be paid to the international NEDs and/or NEDs with special experience and skills which are critical to the Company's business.

(ii) In the determination of whether a NED qualifies for a Special Fee, the Company shall consider:

(a) the special experience or skills which are critical to its businesses, taking into consideration the size and complexity of such businesses; and/or

(b) the currency rate of the home country/residing country of the NED.

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[1] Includes fees, benefits, other benefits and other emoluments

[2] Defined as "fixed fee paid on monthly basis to the NEDs who have been engaged by the Company to perform their specific action or duties, responsibilities and roles".

(iii) The Special Fee shall be paid per every meeting attended based on the following formula:

Special Fee = Between one (1) to five (5) times multiple of meeting attendance allowance

(iv) The actual Special Fee amount in relation to item 2.2(iii) above shall be determined on a case-to-case basis on the recommendation of the Board Nomination & Remuneration Committee and subsequently approved by the Board of the Company.

(v) The Special Fee shall only be paid for the attendance of Board meetings, and it does not apply to Board Committee meetings or general meetings. The Special Fee shall also be paid as an addition to the standard Attendance Allowance received by all NEDs.

2.3 Attendance Allowance Per Meeting (Board Meetings, Board Committee Meetings and Board Away Days) (whether physical or virtual)

(i) The NEDs shall be paid attendance allowance for every meeting (Board Meetings, Board Committee Meetings and Board Away Days) attended. Any costs properly incurred by the NEDs in attending the meeting will be reimbursed by the Company.

(ii) The attendance allowance shall be paid to the Alternate Director attending the meeting in place of the NED.

2.4 Other Benefits[3]

(i) Directors and Officers Liability Insurance ("D&O Insurance")

The Company will provide D&O Insurance to indemnify NEDs to the extent allowed by the Companies Act 2016 and to the extent it is insurable under the D&O Insurance.

NEDs are required to annually pay an amount, being the premium payment to cover the insurance for the non-indemnifiable portion**.**

(ii) Travelling on Official Business

The Company will reimburse the NEDs actual expenses relating to accommodation, laundry, meal and travelling expenses properly incurred whilst on the Company's official business.

(iii) Fuel/Electric Vehicle ("EV") Charging Allowance

a) Independent NEDs ("INEDs") are entitled to fuel/EV charging allowance with a fixed maximum of RM6,000 per year. Any expenditure in excess of the fixed maximum amount shall be borne by the respective INEDs.

b) The fuel/EV charging allowance shall only be valid/applicable at PETRONAS or its Group's service stations or charging stations.

[3] Defined as "benefits that are forming part of remuneration, which may include but is not limited to reimbursement for travelling on official business, medical benefits, insurance".

c) For EV charging, this entitlement will take effect immediately upon the EV charging service being made available.

d) The fuel/charging allowance shall not be converted into cash or any other form of compensation or other benefit.

3. Total Fees and Benefits

(i) The total sum of actual NED's Fees and Benefits shall ultimately be approved by the Shareholders of the Company at the Annual General Meeting.

4. Review of DRF

(i) The review of the DRF will be undertaken at least once in every three (3) years.